

Labour

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Who is a labourer?

- Human labour has had a different status
- Modes of production based on slavery
- Serfdom
- Artisans and craftsmen
- Free workers

- The ancient world increasingly resorted to slavery.
- Slavery became a true mode of production.
- Large estates and small-holdings.
- The role of war.
- Slavery as 'modern' phenomenon.

Peasants and serfs

- Serfdom and indented labour
- Lords as sovereign on their lands.
- Peasants' rights
- Common lands

The flight to the cities

- Consumption per head and its decline.
- Migrations, war.
- Finding haven in cities.
- Overpopulation and the black plague.

Craftsmen and early manufacture

- The rise of factory systems in the 13th and 14th centuries
- Textiles and other early forms of manufacture.
- Enclosures and land less labour.

Wage labour: free labour

- Is labour really free?
- The landless worker.

The notion of labour market

- Labour as a commodity

- Can an economy with surplus labour develop?
- Arthur Lewis held that 'YES' it is possible.
- The concept of 'Surplus Labour'.

- The main argument is that the marginal product of labour in agriculture is (near) zero.
- In theory, subtracting away the surplus labour part of the work force, whether employed or unemployed has no impact on agricultural output.
- As we have seen, the wage rate in non-developed, agrarian economy tends to a minimum capable of supporting exogenous population growth.

The production function

- The industrial wage rate is kept marginally higher than that in agriculture.
- In neo-classical theories, marginal labour productivity equals the wage rate.
- Absorption of labour in the new industrial sector takes place in accordance to marginal productivity
- Industrial output can be obtained with very small quantities of physical capital stock: labour intensive techniques.

- A.P. Thirwall: The role of agriculture and surplus labour for industrialization. Chapter 6, Part Two.